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AGRICULTURAL COOPERATION

LEGAL, ECONOMIC, AND ORGANIZATION INFORMATION COLLECTED BY THE DIVISION OF COOPERATIVE MARKETING,
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LESS COTTON MARKETED COOPERATIVELY

Less cotton was delivered to the large-scale cooperative marketing associations the past year than for the preceding season. Preliminary figures from 16 active associations indicate total deliveries as 841,000 bales, compared with 1,250,000 bales for 1926-27 and 1,472,348 bales for 1925-26, as will be noted by the following figures:

Marketing season	Number of associations	Cotton marketed cooperatively	Per cent of total production
		(Bales)	
1921-22	5	352,226	4.4
1922-23	10	763,686	7.8
1923-24	14	928,562	9.2
1924-25	15	1,096,417	8.0
1925-26	15	1,472,348	9.1
1926-27	15	1,250,000	6.7
1927-28	16	841,000	6.5

The percentage of the total 1927 crop which was handled by these 16 associations was 6.5 per cent, which is the smallest percentage since cooperative cotton marketing was undertaken on a large scale in 1921.

The decline in cooperative activity is due in part to the fact that many of the five-year cotton marketing agreements which were signed by tens of thousands of growers during the years 1920-23 have run out and the number of growers under contract to deliver cotton for cooperative marketing is much smaller than has been the case during the past six years.

The members of four of the active associations delivered 68 per cent of the total number of bales handled cooperatively. Three associations received larger deliveries than ever before. These associations were: Arizona Pimacotton Growers, Phoenix, Ariz., Mississippi Farm Bureau Cotton Association, Jackson, Miss., and Southwestern Irrigated Cotton Growers' Association, El Paso, Texas.

NEW PROGRAM FOR SOUTHWEST IRRIGATED COTTON

At the annual meeting of the Southwestern Irrigated Cotton Growers' Association, held at El Paso, Tex., July 10, plans were announced for the operation of the association in the future as an independent enterprise. The association was formed in August of 1926 and for the first two marketing seasons operated under the wing of the Texas Farm Bureau Cotton Association, Dallas. During its first season, that of 1926-27, 103 members delivered 2,846 bales of cotton. The second season, 1927-28, 262 members delivered 18,016 bales. This cotton was marketed through the Texas association.

Beginning with the 1928-29 crop the members will ship their cotton to the association at Houston, Tex., where it will be available for sale as market conditions are favorable. The selling services of the American Cotton Growers' Exchange, of which the Southwest is a member, will be used.

Two pools will be conducted, a seasonal pool, and a price-fixation pool. Arrangements have been completed for the financing, during the marketing period, of the 1928 crop.

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OPTIMISTIC REPORT FROM PIMACOTTON ASSOCIATION

During the 1927-28 marketing season the Arizona Pimacotton Growers, Phoenix, Ariz., handled the largest volume of business since it was organized. Its members delivered a total of 19,862 bales, 22 per cent more than for the 1925-26 season which was the second best in the life of the association.

The management reports that all short cotton has been shipped, although the price has not yet been fixed on all the cotton. As rapidly as requested by the growers, prices will be fixed on the special-pool cotton.

The membership of the association was nearly doubled during the 1927-28 season, with indications that there will be further increases the coming season.

The number of bales of cotton received for each of the seven seasons that the association has been operating and the percentage which the number is of the total bales produced in Arizona, is as follows:

Marketing season	Bales received	Per cent of state total	Marketing season	Bales received	Per cent of state total
1921-22	10,702	23.8	1925-26	16,457	13.8
1922-23	10,321	21.8	1926-27	11,742	10.2
1923-24	7,948	10.2	1927-28	19,862	21.8
1924-25	9,748	9.0			

LOCAL ADVERTISING CAMPAIGNS BEING PLANNED

Fifteen cents a box is the amount decided upon to be retained by the Florida Citrus Exchange, Tampa, to cover expenses for the coming year. Ten of the fifteen cents will be for operating expense, three cents for advertising, one cent for the contingent fund, and one cent for capital for the Growers' Loan and Guaranty Company.

It was voted by the board of directors of the Exchange to use 2 per cent of the money available for advertising in cooperation with the local units and the sub-exchanges in conducting local advertising campaigns. The local advertising will be developed largely along lines suggested by each local association and will have for its purpose the maintenance of membership morale and the interesting of prospective members. In the case of one association the plans have been very largely worked out and include space in the local weekly, running from eight to ten months, or during the organization and shipping season.

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ADVERTISING CAMPAIGN FOR LIMA BEANS

Approximately \$170,000 was expended in a national advertising campaign by the California Lima Bean Growers' Association, Oxnard, Calif., during the past year. The purpose of the campaign was to stimulate the demand for lima beans that the 200,000 bags of carry-over beans of the 1926 crop and the large 1927 crop might be marketed under conditions as favorable as possible to the member-producers of the association. Display advertising was carried during the fall of 1927 and the winter of 1928 in ten national women's magazines; at the same time promotional sales work was carried on with brokers, jobbers, wholesalers, and retailers dealing in beans. Retailers in the larger cities were persuaded to feature lima beans in their week-end food advertisements and to offer special bargains. A recipe book was prepared and 37,020 copies distributed in response to individual requests.

Twenty-five thousand special letters were mailed to hotels, restaurants, cafeterias, clubs, and delicatessen shops. Furthermore, special promotional work was carried on with these food distributing agencies. Attention was also given to creating a demand for lima bean flour.

The results of the campaign have been such that, in the opinion of the general manager, the association's entire stock of beans will have been moved into the channels of trade by September 1 of this year.

National advertising is to be continued in connection with the marketing of the 1928 crop of beans, although on not as large a scale as for the past year. Less display advertising space will be used, but promotional work with hotels, restaurants and cafeterias will be continued. An assessment of 15 cents a bag on the 1928 crop has been voted by the board of directors.

SUBSTANTIAL GROWTH IN TEN YEARS

In its first year of operation, 1921, the Wenatchee Skookum Growers, Wenatchee, Wash., shipped 300 cars of fruit. Since that time the shipments have ranged from 400 to 550 cars a year. Three packing houses are maintained. The central plant at Wenatchee packs about 300 cars a year, the plant at Entiat packs about 100 cars, and the one at Olds Station packs 50 cars. About 50 more cars are packed at ranches. All the houses are equipped with graders and washing machines of modern type and about 100 persons are employed. All apples are shipped under the Mountain Goat Skookum brand.

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EIGHT NEW WAREHOUSES FOR COLORADO POTATOES

Construction work has been started on eight new potato warehouses for the Colorado Potato Growers' Exchange, Denver. The Exchange management has concluded that if potatoes are to be marketed to the best advantage, they must be subjected to warehouse grading. As rapidly as possible the shift is being made to the new program. The capital needed for the new construction has been obtained by increasing the common stock of the subsidiary, the Colorado Potato Warehousing Corporation, by \$78,000. Seven of the eight new warehouses will be erected and will be of the most approved type equipped with the latest designs of machinery for handling potatoes efficiently.

The management proposes that a larger proportion of the annual crop shall be marketed under the Exchange's trade-mark.

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TENNESSEE PEACHES FOR TENNESSEE CONSUMERS

Peach growers of Bradley County, Tennessee, expect to have about 250 cars of peaches to market and are planning to sell as many as possible of them in their own state. Through their organization, the Bradley County Peach Growers' Association, the fruit will be packed to conform to the U. S. No. 1 grade and will be inspected. The association has its central packing house at Cleveland. Many towns in the state do not have the opportunity to secure home grown peaches of first quality and the leaders hope to develop such markets. To the larger cities of the state the fruit will be shipped in carlots, while trucks will be used for delivering to points within 50 to 75 miles, or possibly 100 miles.

The county agent is aiding in promoting this enterprise and county agents and home demonstration agents in other parts of the state have been asked to help sell the fruit within the state at reasonable prices, thereby serving consumers and also encouraging a home industry.

STRAWBERRY GROWERS' ASSOCIATION FIFTEEN YEARS OLD

Strawberry shipments for members of the McCracken County Growers' Association, Paducah, Ky., were 544 cars for the current season. According to a report by the sales agents this number is 183 cars more than was shipped in 1927. Last year 23 cars of peaches were shipped, with indications of 150 cars for the present season. From ten to fifteen cars of potatoes are sent to market each fall.

The McCracken County Growers' Association was originally organized in 1913. Ten years later, in 1923, it was reorganized under the Bingham Cooperative Marketing Act, enacted the previous year. Its articles of incorporation provide for an existence of fifty years, with membership based on an entrance fee of one dollar. The voting power of members is declared to be equal and "each member shall have one unit of property rights only."

Among the by-laws of the association is one which provides that, "Should a director be absent for two meetings in succession without a reasonable excuse, his place shall be declared vacant by the board of directors and his successor elected by the majority of said board to fill the unexpired term."

Another by-law reads, "All members of this association must use a uniform package adopted by the association." Grievances, "real or imaginary" are to be submitted in writing to the board of directors.

A rather interesting by-law is the one relating to the price to be paid for picking strawberries. "All members obligate themselves to be governed by the decision of the association Any member can pay less than the price agreed upon, but cannot pay more. Any member violating this section is subject to a fine of \$1 per crate for his entire crop."

Members violating any of the by-laws are subject to "such penalties as shall be imposed by the board of directors" and "shall forfeit" membership and "shall be barred from shipping through the association until reinstated by the association."

A marketing agreement, covering strawberries only, is continuous with provision for cancellation on January 1 of any year. It makes the association the agent of the grower and provides that the products sold shall be "averaged by kind and grade for such periods as shall be decided upon by the board of directors and payments on the basis of such average price shall be made to the grower" The grower agrees to sell all the strawberries marketed by or for him through the association and to pay liquidated damages of \$5 a crate for any failure to do so. The actual selling of the products produced by members of the association is made through a firm acting as sales agent.

On January 1 of the current year the association had a membership of 2,041.

CREAMERY SELLS BUTTER, MILK, EGGS AND POULTRY

Every year since 1920 the volume of business transacted by the Fergus Cooperative Creamery Association, Fergus, Falls, Minn., has shown an increase over the preceding season. In 1920, 428,845 pounds of butterfat was received and 539,540 pounds of butter was made. Total sales amounted to \$312,277. Last year more than twice as much butter was turned out as in 1920, and the sales of butter, buttermilk and buttermilk powder amounted to \$555,976. In addition, milk, cream and cottage cheese to the value of \$38,541 were sold, and egg and poultry sales amounted to \$50,245, making total sales for 1927, \$644,762.

The growth of this enterprise since 1920 is indicated below:

Year	Butter made (Pounds)	Butter sales*	Milk and cream sales#	Poultry and egg sales	Total sales
1920	539,540	\$312,277	-----	-----	\$ 312,277
1921	661,295	262,692	\$30,849	-----	293,541
1922	758,959	283,341	29,723	-----	313,064
1923	793,872	349,917	29,284	\$17,603	396,804
1924	945,785	391,595	26,873	35,933	454,401
1925	1,084,604	480,416	29,145	53,430	562,991
1926	1,153,536	499,303	34,893	60,924	595,120
1927	1,197,448	555,976	38,541	50,245	644,762

* Including buttermilk and buttermilk powder.

Including cottage cheese.

The percentages of sales which were returned to the producers in 1927 for the different departments were as follows: butter department, 95 per cent; milk and cream department, 75; egg department, 94; and poultry department 97. These percentages include patronage dividends for eggs and poultry.

At the close of 1927 the association had a net worth of \$141,670, including a surplus of \$114,228.

The average prices paid for butterfat since 1914 are as follows:

Year	Cents	Year	Cents	Year	Cents
1914	31.4	1919	66.5	1924	45.2
1915	31.4	1920	65.1	1925	50.2
1916	35.1	1921	42.2	1926	48.4
1917	47.4	1922	41.5	1927	54.2
1918	55.7	1923	49.2		

The average number of patrons served in 1927 was 618, compared with 579 in 1926, 559 in 1925, and 510 in 1924, 508 in 1923, and 485 in 1922.

MILK COOPERATIVE BEGINS OPERATING

The St. Louis Milk Producers' Cooperative Association, East St. Louis, Ill., began operating June 1, 1928. On that date members of the association began delivering milk to a distributing agency on a contract which provides that 2 cents per hundred pounds of milk be remitted by the distributors to the association. Eighty milk producers are included in the present marketing arrangement.

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WHITEWASHING ON A COOPERATIVE BASIS

A whitewashing service for cow barns is now available on a co-operative basis to members of the Ohio Farmers' Cooperative Milk Association, Cleveland, Ohio. A portable spraying outfit has been mounted on a truck which is sent to the farms of member dairymen to clean and whitewash the interiors of the cow stables. It is estimated by the management of the association that from six to eight barns can be cleaned and whitewashed in a day and at much less expense than the farmers could perform the service for themselves. In the event that the demand for the service is as great as expected, a second outfit will be put into the field. Two results looked for are: first, that the cost of whitewashing will be greatly reduced; and second, that the milk delivered by 6,000 members of the association will be improved in quality, because of being produced under more sanitary conditions.

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COOPERATIVE MANUFACTURES SEVERAL DAIRY PRODUCTS

During the 30 days of June the members of the Twin City Milk Producers' Association, St. Paul, delivered to their cooperative the equivalent of 35,419,668 pounds of milk. During the month the association sold 50 cars of 30 per cent sweet cream; manufactured 239,000 pounds of butter; 198,000 pounds of cheese; nearly a half million pounds of milk powder; and more than a million pounds of condensed milk of different kinds. One hundred sixty-five tons of sugar were used in the condensed milk and 1,137 tons of coal were required for the several plants.

Percentages worked out by certified public accountants for a recent period show that 45.33 per cent of the sales income of the association was derived from whole milk; 19.24 per cent from sweet cream; and the remaining 35.43 per cent from by-products as follows: butter, 19.27 per cent; condensed milk, 4.89 per cent; cheese, 4.32 per cent; powdered skim milk 3.85 per cent; skim milk, 1.64 per cent; casein, .93 per cent; ice cream, .48 per cent; buttermilk, .05 per cent.

COWS TESTED AT ASSOCIATION EXPENSE

A cow testing service is rendered its patrons by the Coos Bay Mutual Creamery Company, Marshfield, Oreg. Two dairymen are employed to test the cows regularly. In the opinion of the management this service results in the creamery securing a better raw product for use in making the high grade of cheese with which it is building up a consumer demand.

TEN YEARS OF BUTTER MAKING

Volume of business has more than doubled for the Mentor Creamery Association, Mentor, Minn., during the last ten years. The output of the creamery for the year 1918 was 66,465 pounds of butter which was sold for \$30,600, and the output for 1927 was 158,949 pounds which had a sales value of \$63,789. The best year in the history of the association was 1926 when the output was 168,599 pounds.

Prices paid patrons for butterfat for the ten-year period ranged from 37.6 cents a pound in 1922 to 59.42 cents in 1919.

The activities of the association for the ten years are indicated by the figures in the table below:

Year	Butterfat received	Butter made	Butter sales	Paid patrons	
				Total	Av. per lb. butterfat
	(Pounds)	(Pounds)			(Cents)
1918	54,295	66,465	\$30,600	\$26,922	49.39
1919	51,818	64,068	34,376	30,896	59.42
1920	56,365	69,379	36,618	32,769	58.11
1921	78,996	98,353	35,383	30,770	39.00
1922	104,247	128,753	44,582	39,199	37.60
1923	117,372	143,875	52,913	53,405	45.50
1924	115,523	142,367	53,117	47,997	41.55
1925	131,404	161,456	66,593	60,348	45.92
1926	137,291	168,599	66,094	59,740	43.51
1927	129,246	158,949	63,779	45,930	47.02

A portion of the annual output of butter is sold through the Land O'Lakes Creameries, Inc., but the larger part is sold in New York City. The association is located in a grain producing section where the farmers are largely of Scandinavian descent. At the close of 1927 the creamery was serving 114 farmers.

ASSOCIATION OPERATES TWO GRAIN ELEVATORS

Two grain elevators are being operated by the Mott Equity Exchange, Mott, N. D., and a lumber and farm implement business is being conducted. The net earnings from the elevators for the year ending in June were \$16,176, and the earnings from the lumber and machinery business amounted to \$11,097, making total earnings for the year \$27,273. Among the grains handled were: wheat, rye, flax, barley, and oats. Earnings from grinding were over \$600 and from storing grain, over \$1,400. Patrons were supplied with binder twine as well as lumber and farm machinery.

Outstanding capital stock at the close of the business year had a par value of \$51,375. Surplus and undivided earnings amounted to \$54,885.

This association is reported as being one of the five original Equity Exchanges. It was organized in 1911, incorporated in 1912, and now serves about 300 farmers in the vicinity of Mott.

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GRAIN MARKETING ASSOCIATION FORTY-TWO YEARS OLD

One of the oldest of the existing grain marketing associations is the Watson Farmers' Elevator Company, Watson, Minn., which has been active for more than 42 years. The Watson Produce Company, the forerunner of the present organization, was organized March 6, 1886. Almost immediately a grain warehouse was erected and a man employed as a buyer. Business was conducted at the warehouse for 24 years when the elevator of a privately owned grain company was purchased and the warehouse torn down. This elevator is still the main part of the operating plant, although numerous improvements and additions have been made so that the association now has a modern plant valued at \$16,000.

The corporate existence of the company was renewed in 1916 for a second thirty years, and in 1921 the articles of incorporation were amended so as to change the name to the one now being used. At the same time the amount of capital stock authorized was increased from \$10,000 to \$50,000. Shares have a par value of \$25 each, and no stockholder can hold more than 20 shares.

Since 1905 there have been net earnings for every year. Cash dividends paid on capital stock, during the years 1914 to 1927 inclusive, equaled 209 per cent of the outstanding stock and the stock, dividends amounted to 500 per cent. On June 22, 1927, the association had a net worth of \$28,700.

The association is engaged in marketing wheat, corn, oats, barley, rye, flax, and buckwheat, handling from 100,000 to 200,000 bushels of grain a year. In addition, twine, feed and machinery are purchased for the membership. It is serving about 200 farmers.

SELLS AND BUYS FOR FARMERS

One hundred and twenty farmers are being served by the Fisher Farmers' Grain and Coal Company, Fisher, Ill., which was incorporated in 1911 as a capital stock organization. From 200,000 to 400,000 bushels of grain are handled each year, also large quantities of coal and binder twine. Livestock has been shipped some years and seeds have been purchased. Expenses of operation have ranged from about \$4,000 a year to nearly \$8,000, and net earnings have amounted to more than \$4,000 in various years. The net worth of the company on December 31 last was \$29,295.

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FARMERS' ELEVATORS IN OHIO

Average figures for twenty grain elevators in Northern Ohio have been compiled for three years by a firm of auditors. Average sales for the twenty elevators are given as follows:

Sales	1926	1927	1928
Wheat	\$ 27,558	\$ 45,864	\$ 29,116
Oats	18,715	21,588	17,805
Corn	15,213	17,590	15,807
Total grain	61,486	85,042	62,728
Merchandise	47,936	59,309	57,340
Total sales	\$109,422	\$144,351	\$120,068

Earnings from grinding for the three years averaged as follows: 1926, \$1,025; 1927, \$1,497; 1928, \$1,789. Average operating expenses were: 1926, \$6,453; 1927, \$7,625; 1928, \$7,932; and net earnings: 1926, \$2,341; 1927, \$4,554; 1928, \$3,757.

The percentages that operating margins were of gross sales for the three years were as follows:

Commodity	1926	1927	1928
Wheat	3.67	3.20	4.80
Oats	6.60	10.35	10.53
Corn	7.06	10.45	7.44
Merchandise	10.85	10.34	11.18

For the entire three-year period the percentage of total sales credited to each line was as follows: wheat, 27 per cent; oats, 16 per cent; corn, 13 per cent; merchandise, 44 per cent.

A YEAR OF LIVESTOCK MARKETING

During the year ending May 31, 1928, the number of local livestock shipping associations affiliated with the Saskatchewan Livestock Cooperative Marketing Association, Ltd., Moose Jaw, Saskatchewan, increased from 26 to 76. The membership in the local units has increased from 3,264 on March 16, 1927, to 10,316 on June 30, 1928. The estimated yearly marketings for the 10,316 members are given as follows: cattle, 55,360; hogs, 109,146; sheep, 13,477; or a total of 177,983 animals. This number is about one-third of the total number marketed from the province.

Thirty-five of the 76 active associations on May 31 were located in territory tributary to the Moose Jaw livestock market, 23 in territory tributary to the St. Boniface market, and 18 in territory tributary to the Prince Albert market.

On June 1, 1927, the association took over the tangible assets of the United Livestock Growers, Ltd., at Moose Jaw and handled the livestock forwarded from the local shipping units. The number of animals handled through the Moose Jaw office for the year ending with May, 1928, was: cattle, 23,822; hogs, 57,020; sheep, 7,522; a total of 88,364, which was about 42 per cent of the market receipts.

The livestock yards at Prince Albert were leased by the marketing association for the year and about 62 per cent of the total receipts were handled by the cooperative.

The Saskatchewan Livestock Cooperative Marketing Association joined with the livestock associations in Manitoba and Alberta in creating the Central Livestock Cooperative, Ltd., which opened a sales office at the St. Boniface livestock yards on January 1, 1928, and in five months advanced from low to high place on the market. At the close of its fifth month of activity it was handling about one-fifth of the receipts of the yard.

In August of 1927 the Saskatchewan Cooperative became a member of the Central Cooperative Association, a sales agency operating upon the South St. Paul livestock market. Sixty cars of livestock were sold through the St. Paul cooperative. A refund of 30 per cent of the commissions was made by the St. Paul cooperative.

At the recently held annual meeting of the Saskatchewan association resolutions were adopted directing that information be collected regarding the processing of the slaughtered animals and also an effort be made to obtain an official grading of hogs after slaughter in order that grading prior to slaughter may be more nearly on a basis of dressed value.

A survey of the local shipping associations is to be made that the best features in the operations of each unit may be noted and the information made available to the officers of all the local organizations. It is proposed to widen somewhat the activities of the local associations by giving them the legal right to own property and to undertake other activities than the shipping of livestock.

TWENTY THOUSAND DOLLARS FOR PATRONAGE DIVIDENDS

Active membership in the San Diego Poultry Association, San Diego, Calif., has decreased from 845 to 795 since 1927. This is an association of poultry producers for the cooperative purchase of feeds and other poultry supplies. The quantity of feed purchased in the first five months of 1928 was 198 tons less than was purchased in the same months of 1927. The figures for the two periods are as follows: 1927, 5,836 tons; 1928, 5,638 tons. Sales for the first five months of 1927 and 1928 are reported as \$292,717 and \$309,313, respectively. The amount available as a patronage dividend because of sales for the first five months of the current year is \$20,500.

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IDAHO TURKEY POOL MANAGED BY A WOMAN

The Idaho Turkey Growers' Association, Boise, Idaho, is largely the creation of a woman. Five years ago the turkey growers in Southern Idaho felt that turkey growing was not so profitable as it should be. A woman called them together to discuss the situation with the result that an association was formed under the cooperative act and the woman who had taken the initiative was made secretary and treasurer.

The first season, 1923, the association shipped for its 43 members, 3½ cars of dressed turkeys valued at \$22,250. The next year 400 members supplied 23 cars of turkeys with a sales value of \$172,500. In 1925 the association, with 900 members, shipped 26 cars valued at \$265,000. Sales in 1926 amounted to \$510,000, and in 1927, \$768,000.

The association markets the turkeys chiefly in the Eastern Coast cities, the various shipments being sold to the highest bidders. A charge of one-half cent a pound is made by the association for marketing service and this with the membership fee of one dollar a year is more than enough to meet the expenses of the organization. Earnings for the past year amounted to \$1,948.

Members of the association sign a marketing contract whereby each agrees to sell to the association all commercial turkeys produced or acquired by him for a period of years and also to pay the annual membership fee. Damages in case of failure on the part of the producer to deliver all his turkeys are placed at 50 cents a bird.

The association has five directors who are elected by a mail ballot. Plans are now being made to increase the number of directors in order that more of the shipping points in the turkey-producing area may be represented on the board of directors.

INDEX OF SUMMARY OF CASES PREPARED

A detailed and comprehensive index covering the court decisions and the legal articles which have appeared in Agricultural Cooperation, and have been brought together in "Summary of cases and Decisions on Legal Phases of Cooperation, Nos. I to V," is now available for distribution. Copies may be obtained from the Division of Cooperative Marketing, U. S. Department of Agriculture, Washington, D. C.

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NEW COOPERATIVE LAW IN MISSISSIPPI

A new cooperative act was passed at the recent session of the Mississippi legislature. The act which is known as the Agricultural Association law, purports to supplement existing legislation but not to amend nor supersede it. The new act provides for the organization, by 10 or more producers, of associations with names of which the concluding part shall be "A.A.L." in parentheses, evidencing the fact that the association is incorporated under the Agricultural Association Law. Producers are defined as individual persons, partnerships, associations, and corporations. Membership under the law is personal, and equal in right, not transferable and carries with it one vote only. Provision is made, however, for members to vote by mail.

Ten or more associations organized under this act may organize and incorporate as a federation of associations, each association having one vote in the federation. All the rights, powers, privileges, and immunities given to associations organized under the act are also given to federations formed by associations.

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TREASURER DID NOT COMMIT EMBEZZLEMENT

The case of the Williamstown Creamery Association v. the American Surety Company of New York, et al., was recently decided by the Supreme Court of Iowa, 218 N. W. 474.

T. B. Condon was the Treasurer of the Williamstown Creamery Association during the month of December, 1924, and for several years prior thereto, and as such executed a bond to the association in the sum of \$5,000 with the American Surety Company of New York, as surety, indemnifying the association against loss resulting from embezzlement.

Condon was also president of the State Bank of New Hampton, Iowa, in which his account as treasurer was kept in the name of the Williamstown Creamery Association. The method of depositing and handling the funds of the association was for its president or secretary to forward checks or drafts received by it to the bank for credit. When received

at the bank, these were endorsed in the name of the treasurer by the use of a rubber stamp and credited to the account of the association. Condon was not authorized to draw checks on the account. The president and secretary of the association had full charge and control of the account, and all checks drawn thereon were signed by one or the other of these officials.

The bank was closed by order of the state superintendent of banking on December 28, 1924. It was wholly insolvent. Condon ceased to manage the affairs of the bank in March, 1924.

The association did not contend that Condon had ever in fact misapplied, or appropriated to his own use any sum belonging to it, but the action proceeded upon the theory that he received and deposited the funds of the association in his bank with full knowledge that it was bankrupt, and that, by reason thereof, he fraudulently converted the same to the use and benefit of the bank, and thereby committed the crime of larceny by embezzlement.

By the bond which they gave to the association, Condon and the American Surety Company bound themselves to pay the Williamstown Creamery Association, as employer, "such pecuniary loss, not exceeding \$5,000, as the latter shall have sustained of money or other personal property (including that for which the employer is responsible) by any act or acts of larceny or embezzlement on the part of the employee (Condon)."

The lower court sustained a motion of the Surety Company to direct a verdict in its favor. One of the grounds for the motion was that the evidence was not sufficient to sustain a charge of embezzlement.

The following from the applicable statute of Iowa defining embezzlement was quoted by the Supreme Court: "If any officer of any corporation in any manner embezzles or fraudulently converts to his own use, or takes and secretes with intent to embezzle or convert to his own use, without the consent of his employer, or master any money or property of another ... such officer is guilty of larceny."

Therefore, to constitute the crime of larceny by embezzlement in this case, the court said there must have been a fraudulent intent on the part of Condon to convert the money to his own use.

In the course of the opinion the court said that the deposits tendered by the association were received by the bank the same as the funds of other depositors, and that the record did not contain a scintilla of evidence of a felonious intent on the part of Condon to convert the funds to his own use or the bank's use.

The judgment of the court below was affirmed.

H. M. Bain.

REFUNDS BY ASSOCIATION PURCHASING FERTILIZERS

Refunds to patrons purchasing fertilizers through the Indiana Farm Bureau Purchasing Department, Inc., Indianapolis, amount to \$338,751 to July 1, 1928. The Farm Bureau began buying fertilizers for its members in 1921. The quantity of fertilizer handled has increased year by year until in 1927 it was 34,000 tons. It is expected that the 1928 distribution will amount to 48,000 tons. The refunds for the various years have been as follows: 1923, \$303; 1924, \$37,596; 1925, \$74,470; 1926, \$61,421; 1927, \$111,000; 1928, (spring only) \$53,000. It is estimated that about 31,000 tons of fertilizer will be included in the fall distribution and that the total refund for spring and fall distribution will amount to about \$150,000.

The management of the purchasing department claims that purchasers have not only enjoyed refunds from the association, but have also benefited because of a lower price level which the association has been instrumental in establishing.

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EASTERN STATES FARMERS' EXCHANGE ADVERTISES

More than \$25,000 was spent in 1927 by the Eastern States Farmers' Exchange, Springfield, Mass., for advertising and publicity. The purpose of the expenditure was to keep before members and prospective members the fundamental principles upon which the activities of the Exchange are based, also the methods by which these principles are applied, the results secured, and the results still to be obtained.

In addition to the use of advertising space in publications reaching the farmers of New England, Eastern Pennsylvania, Delaware, and Eastern Maryland, the Exchange issued leaflets and booklets and maintained exhibits at expositions.

As the membership of the Exchange consists of those buying farm supplies, especially fertilizers, feeds and seeds, much of the advertising has stressed the advantages of volume buying and distributing by a membership obtained at a low cost per member. Attention has also been directed to the fact that the Exchange was organized "to give farmer members the opportunity to purchase raw materials economically through their own purchasing department." which service puts them on the same basis as the large manufacturer, with a buying department to buy for him his needed raw materials under the most favorable conditions.

In the opinion of the management the publicity problem of the Exchange is an educational problem - the problem of informing farmers regarding the objects of the Exchange and the results being obtained by collective activity.

OKLAHOMA'S ANNUAL COOPERATIVE MARKETING SCHOOL

Oklahoma's annual Cooperative Marketing School was held at the Oklahoma A. & M. College, Stillwater, July 31, August 1 and 2. Among the subjects listed for discussion during the three days were the following: Services cooperative associations can perform, The need for united front against the enemies of cooperation, The status and need of cooperation in the marketing of poultry and dairy products, Responsibilities of members and management of cooperative associations, Strengthening the cotton cooperatives by improved contracts, Financial assistance to local cooperatives through side lines, Factors of success and safeguards against failure in cooperative marketing, International progress in cooperative selling of wheat, Opportunities for expansion of cooperation in cotton ginning in Oklahoma.

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ALBERTA HOLDS FIRST INSTITUTE OF COOPERATION

A large number of persons vitally interested in the subject of cooperation attended the sessions of the Alberta Institute of Cooperation, held at the University of Alberta, Edmonton, during the latter part of June. In addition to Canadian speakers the program included a number of prominent representatives of the cooperative movement in the United States and Great Britain. Great interest was manifested in the addresses and a number of impromptu debates enlivened the sessions as differences of opinion developed. One such discussion dealt with the relative merits of producer and consumer cooperation, one centered on the one-man-one-vote plan, another on the federated and centralized types of organization. The audiences were especially interested in the talks of practical men who told of their own experience in developing workable methods of carrying on cooperative enterprises.

One new feature of this institute was a program of courses arranged especially for young people dealing with the fundamentals of cooperation. Two instructors had charge of these courses and began with the following subjects: The early beginnings of cooperation and first principles, The scope of agricultural cooperation, Cooperative marketing, The social significance of western cooperation. A report of the meeting states that the response of the young people to the inspiration of this first Institute of Cooperation augurs well for the future.

NEW YORK'S COOPERATIVE ENTERPRISES STUDIED

"Farmers' Cooperative Business Organizations in New York" are described by J. F. Booth in Bulletin 461 of the Cornell University, Agricultural Experiment Station, Ithaca, N. Y. The bulletin represents a comprehensive study of active and inactive organizations with particular emphasis on the reasons for the success of some organizations and the failure of others. Information was secured by questionnaires, by personal visits to associations, and by interviews with individuals. An intensive study was made of all past and present associations in ten representative counties.

The study showed that New York farmers had been working together for a long time. Cooperative fire insurance companies were formed as early as 1836, cooperative cheese factories between 1850 and 1860, a purchasing association in 1862, and fluid milk associations between 1870 and 1880. A large number of the enterprises are described in some detail.

The number of patrons of New York associations in 1924 is given as 158,245, of whom 112,067 were members. The total volume of business transacted by 286 associations for the year 1924-25 was \$104,793,105, of which \$11,760,373 represented business of independent local associations and \$93,032,732 of large scale associations.

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THE ROMANCE OF PROGRESS

"The Romance of Progress" is the title of an attractive booklet which tells "the story in pictures of the accomplishments of the Poultrymen of Southern California in building a great industry through cooperative effort." The publication is the joint product of the Poultrymen's Cooperative Milling Association and the Poultry Producers of Southern California, Inc., both of Los Angeles. The publication is dedicated to the stockholders of the two associations, "whose loyalty and support have made the story a reality, rather than a vision."

Short accounts are given of the formation of each of the associations, also statistical matter regarding the last four years of growth of the milling company. The following figures are abstracted as of special interest. The number of stockholders in the Milling Company increased from 179 in 1924 to 782 in 1928, and the shares of stock outstanding increased from 9,185 to 24,332 for the same period. Supplies sold in 1924 amounted to 16,458 tons, and in 1928, to 45,016 tons. The number of chickens being fed association feeds increased from 410,000 to 1,120,000.

Balance sheets prepared under date of December 31, 1927, are given for both associations. The report for the Milling Company shows a net worth of \$299,716, and the report for the Poultry Producers a net worth of \$216,411.

REPORTED BY THE ASSOCIATIONS

The local units of the California Fruit Growers' Exchange, Los Angeles, have been increased by the affiliation of three local associations handling 500 cars of oranges and lemons annually.

The Farmers' Mutual Automobile Insurance Association, Des Moines, Iowa, has been established by the Farmers' Educational and Cooperative Union of America, Iowa Division. This company is prepared to issue policies covering fire, wind, theft, hail, collision with a moving object, public liability, and public damage.

Arrangements are being made by the management of the Central Cooperative Association, South St. Paul, Minn., to set up the Central Livestock Loan Company, which will loan money to farmers for cattle-feeding operations. The plan includes rediscounting the farmers' paper with the Intermediate Credit Bank of St. Paul.

A two-reel motion picture showing the manufacture of fertilizers has been prepared by the Ohio Farm Bureau Service Company, Columbus, and is being used in the fall campaign for fertilizer orders. The picture shows the mines and plants which are factors in the production of the fertilizers which Ohio farmers are buying cooperatively.

The volume of business of the Jefferson County Truck Growers' Association, Birmingham, Ala., has increased from about \$6,000 a year to more than \$50,000 since the beginning of 1922. The volume for each of the last six years ending with May 31, as reported by the management, is as follows: 1923, \$6,086; 1924, \$23,525; 1925, \$28,120; 1926, \$31,072; 1927, \$44,655; 1928, \$50,275. The number of members is now 447.

The Eastern States Company, Columbus, Ohio, has been designated as the national order-buying agency in the set-up of the National Livestock Producers' Association, which operates on 13 of the larger of the terminal livestock markets. The company is already operating on the markets at Cleveland, Buffalo, Pittsburgh, and Detroit, and will soon establish its service at Cincinnati and St. Louis. It is the aim of the company to move livestock from producer to packer as directly and economically as possible.

Ohio farmers who purchased their spring requirements of fertilizers through the Ohio Farm Bureau Service Company, Columbus, have received refunds to the amount of \$66,934. These refunds were possible because of purchasing cooperatively 25,087 tons of fertilizer or 75 per cent more than was purchased collectively in the spring of 1927. Since the farm bureau began buying fertilizers for its members in 1920, more than \$641,000 has been refunded to the farmers. At the same time the price of fertilizer has decreased.

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- Gile, B. M. The Basis of the Cooperative Marketing Program. Cooperative Marketing Journal, Memphis, Tenn., May, 1928, p. 184.
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- Teutsch, W. L. Demonstrates Cooperation. An Oregon Creamery Operates a Dairy Herd Improvement Association. Hoard's Dairyman, Fort Atkinson, Wis., July 25, 1928, p. 682.
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